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cc: D/OPBD
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MEMORANDUM OF CONVERSATION
WITH DENNY ELLERMAN
DEPARTMENT OF ENERGY
MAY 11, 1978

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We talked generally about the performance of the Intelligence Community in satisfying Energy intelligence needs. Denny emphasized that the focus of DOE's efforts have been oriented toward defense, reflecting AEC history. Now they are concerned with proliferation matters, among other things. [] is principally responsible for seeing that such work fits into a coherent whole in the Community. He does not know how serious Schlesinger's discontent with his intelligence support is. John Deutsch feels that his sources of information on proliferation matters are now inferior to those he was able to tap at MIT.

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With respect to our relations, he regards the proposal that [] has been circulating for an evaluation of energy intelligence as unrealistically broad and rather disruptive. On the other hand, he is eager to work with us on asking the questions, what DOE intelligence should do, and what energy intelligence should be provided. He has two specific requests: one is to bound [] proposed study and put a terminal date on it, letting the budget process drive the decisions (he wasn't clear on exactly what that meant). In addition, he would like to reduce the number of decision units with which they have to deal. His real preference would be to have only one for the DOE program. I think that's a position I backed him away from before the end of the conversation. If he can't get one, he would like to consider a three-unit structure which has defense, proliferation, and energy technology matters. In the first would be included [] in the second the labs; in the third, miscellaneous residual.

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